

CITY COURT OF ABBEVILLE, LOUISIANA

Financial Report

Year Ended December 31, 2012

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(A Corporation of Certified Public Accountants)

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Independent Accountant's Review Report

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Mary Catherine Hollier, CPA

The Honorable Richard J. Putnam, III, Judge
City Court of Abbeville, Louisiana

We have reviewed the accompanying financial statements of the governmental activities and the major fund of City Court of Abbeville, Louisiana, a component unit of the City of Abbeville, Louisiana, as of and for the year ended December 31, 2012, which collectively comprise the City Court's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of City Court of Abbeville, Louisiana. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

The management of City Court of Abbeville, Louisiana is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

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Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. The budgetary comparison information on page 17 is presented for purposes of additional analysis. Such information, although not a required part of the basic financial statements, is required by Government Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, and historical context. The supplementary information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but it has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and accordingly, we do not express an opinion or provide any assurance on such supplementary information.

Management has omitted the management's discussion and analysis information that is required to be presented for purposes of additional analysis. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Dannall, Sikes, Gaudes & Frederick

A Corporation of Certified Public Accountants

Abbeville, Louisiana

June 18, 2013

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY COURT OF ABBEVILLE, LOUISIANA

Statement of Net Position
December 31, 2012

ASSETS

Current assets:

Cash	\$ 100
Interest-bearing deposits	412,591
Investments	<u>62,085</u>
Total current assets	<u>474,776</u>

Noncurrent assets:

Capital assets, net	<u>3,383</u>
Total assets	<u>\$ 478,159</u>

LIABILITIES

Current liabilities:

Accounts payable	\$ 2,974
Unearned revenue	105,117
Due to other agencies	<u>258,062</u>
Total liabilities	<u>366,153</u>

NET POSITION

Net investment in capital assets	3,383
Unrestricted	<u>108,623</u>
Total net position	<u>\$ 112,006</u>

See accompanying notes and independent accountant's review report.

CITY COURT OF ABBEVILLE, LOUISIANA

Statement of Activities
Year Ended December 31, 2012

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net (Expense) Revenue And Changes in Net Position</u>
			<u>Governmental Activities</u>
Governmental activities:			
General government	\$ 448,714	\$ 431,643	\$ (17,071)
	General Revenues:		
	Interest income		<u>2,010</u>
	Change in net position		(15,061)
	Net position -- begining		<u>127,067</u>
	Net position -- ending		<u>\$ 112,006</u>

See accompanying notes and independent accountant's review report.

FUND FINANCIAL STATEMENTS

CITY COURT OF ABBEVILLE, LOUISIANA

Balance Sheet
Governmental Fund
December 31, 2012
(With Comparative Totals as of December 31, 2011)

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash	\$ 100	\$ 100
Interest bearing deposits	412,591	531,650
Investments	<u>62,085</u>	<u>61,528</u>
Total assets	<u>\$ 474,776</u>	<u>\$ 593,278</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ 2,974	\$ 3,390
Unearned revenue	105,117	90,187
Due to other agencies	<u>258,062</u>	<u>377,286</u>
Total liabilities	366,153	470,863
Fund equity:		
Fund balance - Unassigned	<u>108,623</u>	<u>122,415</u>
Total liabilities and fund equity	<u>\$ 474,776</u>	<u>\$ 593,278</u>
 Total fund balance for governmental funds	 \$ 108,623	 \$ 122,415
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources, and, therefore, are not reported in the funds	<u>3,383</u>	<u>4,652</u>
Net position of governmental activities	<u>\$ 112,006</u>	<u>\$ 127,067</u>

See accompanying notes and independent accountant's review report.

CITY COURT OF ABBEVILLE, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund

Year Ended December 31, 2012

(With Comparative Totals for the Year Ended December 31, 2011)

	2012	2011
Revenues:		
Court costs	\$ 288,107	\$ 193,014
Fines	143,536	92,277
Interest	<u>2,010</u>	<u>2,276</u>
Total revenues	<u>433,653</u>	<u>287,567</u>
Expenditures:		
Current -		
Salaries and payroll taxes	92,516	77,332
Conferences and meetings	12,212	9,678
Office expenses	11,867	23,506
Telephone	4,007	4,263
Professional fees	4,800	4,800
Janitorial service	2,080	2,080
Miscellaneous	4,570	5,564
Repair and maintenance	355	1,036
Dues and subscriptions	12,344	3,002
Computer service	3,600	3,600
Court costs -		
Indigent defender's board	49,141	29,989
City Marshall - fees	47,669	28,429
City Marshall - holding facility	640	280
Louisiana commission on law enforcement	3,088	2,005
City of Abbeville - witness fees	31,496	16,098
City of Abbeville - intoxilizer fees	1,642	1,125
Acadiana crime lab	16,817	11,277
Vermilion Parish District Attorney	120	55
Department of Public Safety	-	10
Case information systems	3,720	2,075
Louisiana rehab services - HSCI	1,225	805
Court fines -		
City of Abbeville	143,346	91,997
Vermilion Parish Police Jury	<u>190</u>	<u>120</u>
Total expenditures	<u>447,445</u>	<u>319,126</u>
Deficiency of revenues over expenditures	(13,792)	(31,559)
Fund balance, beginning	<u>122,415</u>	<u>153,974</u>
Fund balance, ending	<u><u>\$ 108,623</u></u>	<u><u>\$ 122,415</u></u>

See accompanying notes and independent accountant's review report.

CITY COURT OF ABBEVILLE, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
Of the Governmental Fund to the Statement of Activities
Year Ended December 31, 2012
(With Comparative Totals for the Year Ended December 31, 2011)

	<u>2012</u>	<u>2011</u>
Net change in fund balance - governmental fund	\$ (13,792)	\$ (31,559)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures, however, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense -		
- Depreciation expense	<u>(1,269)</u>	<u>(1,920)</u>
Change in net position of governmental activities	<u>\$ (15,061)</u>	<u>\$ (33,479)</u>

See accompanying notes and independent accountant's review report.

CITY COURT OF ABBEVILLE, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City Court of Abbeville, Louisiana (City Court) was created under Louisiana Revised Statute 13:1872 as a political subdivision of the State of Louisiana. The Court operates under the control of the City Judge, an elected official serving a term of six years.

The accounting and reporting policies of the City Court conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:517 and to the guides set forth in the *Louisiana Government Audit Guide* and to the industry audit guide, *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

Financial Reporting Entity

This report includes all funds which are controlled by or dependent upon the City Court Judge. City Court is a component of a financial reporting entity with the City of Abbeville, Louisiana being the primary government.

Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the activities of the government. Both the government-wide and fund financial statements categorize primary activities as governmental.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Items not properly included among program revenues are reported as *general revenues*.

A separate financial statement is provided for the governmental fund.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows.

Government fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or as soon enough thereafter to pay liabilities for the current period. For this purpose, the government considers revenues to be *available* if they are collectible within the current period or soon enough thereafter, within 60 days of the end of the current fiscal period, to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

CITY COURT OF ABBEVILLE, LOUISIANA

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

City Court of Abbeville, Louisiana has the following fund type:

Governmental Fund –

The focus of the governmental fund's measurement (in the fund statement) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental fund of City Court:

General Fund

The General Fund is the general operating fund of City Court. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Assets

All capital assets purchased or acquired are reported at historical cost or estimated historical cost. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Equipment	5-7 years
Furniture and fixtures	7-10 years

Fund Equity – Fund Financial Statements

Governmental fund equity is classified as fund balance. City Court has implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid expenditures as being nonspendable as this item is not expected to be converted to cash.
- Restricted: This classification includes amounts for which constraints have been placed on the use of resources are either:
 - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or

CITY COURT OF ABBEVILLE, LOUISIANA

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Imposed by law through constitutional provisions or enabling legislation.
- Committed: This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the City Court Judge, which is the entity's highest level of decision-making authority. These amounts cannot be used for any other purposes unless the Judge removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Court did not have any committed resources as of year end.
- Assigned: This classification includes amounts that are constrained by City Court's intent to be used for a specific purpose but are neither restricted nor committed. This intent should be expressed by City Court. The Court did not have any assigned resources as of year end.
- Unassigned: This classification is the residual fund balance of the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

When fund balance resources are available for a specific purpose in multiple classifications, City Court will generally use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, City Court reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

Budgetary Practices

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted and as finally amended by the City Court Judge.

Interest-Bearing Deposits

Interest-bearing deposits are stated at cost, which approximates market.

Salaries and Compensated Absences

Salaries include amounts paid for part-time office staff, as well as monthly payments to the Clerk of Court and other full-time employees. Salaries do not include amounts paid to the City Judge, City Marshall, nor the regular salaries of the Clerk of Court and other full-time employees, which are paid by the Vermilion Parish Police Jury and the City of Abbeville.

CITY COURT OF ABBEVILLE, LOUISIANA

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee benefits such as retirement, health insurance and compensated absences are also provided by the City of Abbeville. No liability has been accrued for compensated absences since the City Court is not responsible for those costs.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by City Court.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the government's financial position and operations.

NOTE 2 CASH AND INTEREST-BEARING DEPOSITS

Under state law, the City Court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City Court may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2012, the City Court had cash and interest-bearing deposits (book balances) totaling \$412,691 as follows:

Cash on hand	\$ 100
General Fund - Criminal account	58,942
General Fund - Special account	352,434
General Fund - Juvenile Probation account	<u>1,215</u>
Total	<u>\$412,691</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

CITY COURT OF ABBEVILLE, LOUISIANA

Notes to the Financial Statements

NOTE 2 CASH AND INTEREST-BEARING DEPOSITS (Continued)

Deposit balances (bank balances) at December 31, 2012, are secured as follows:

Bank balances	\$ 530,231
Federal deposit insurance	<u>250,000</u>
Balance uninsured	280,231
Pledged securities (Category 3)	<u>481,973</u>
Excess FDIC insurance and pledged securities	<u>\$ 201,742</u>

Pledged securities in Category 3 include uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in City Court's name. Even though the pledged securities are considered uncollateralized (Category 3), state law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by City Court that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 INVESTMENTS

Investments consist of the following certificates of deposit:

<u>Institution</u>	<u>Term</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Bank of Abbeville	6 months	4/14/2013	0.65%	\$ 30,000
Abbeville Building & Loan	18 months	9/10/2013	1.75%	<u>32,085</u>
				<u>\$ 62,085</u>

The investment balances are fully secured by FDIC insurance.

CITY COURT OF ABBEVILLE, LOUISIANA

Notes to the Financial Statements

NOTE 4 CAPITAL ASSETS

	Balance December 31, 2011	Additions	Deletions	Balance December 31, 2012
Capital Asset Cost:				
Equipment	\$ 53,814	\$ -	\$ -	\$ 53,814
Furniture and fixtures	<u>29,036</u>	<u>-</u>	<u>-</u>	<u>29,036</u>
	<u>\$ 82,850</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,850</u>
Accumulated Depreciation:				
Equipment	\$ 49,161	\$ 1,269	\$ -	\$ 50,430
Furniture and fixtures	<u>29,037</u>	<u>-</u>	<u>-</u>	<u>29,037</u>
	<u>\$ 78,198</u>	<u>\$ 1,269</u>	<u>\$ -</u>	<u>\$ 79,467</u>
Net Capital Assets	<u>\$ 4,652</u>	<u>\$ (1,269)</u>	<u>\$ -</u>	<u>\$ 3,383</u>

NOTE 5 UNEARNED REVENUES

The City Court has instituted a policy to accept partial payments of court costs and fines. Prior to this, a sentenced individual was required to pay the assessed court costs and fines in full or serve time in jail. Due to the shortage and cost of jail facilities it was decided that a series of partial payments would be accepted until the complete court assessed fine was paid out. Collections of partial payments are deposited into a separate checking account called the "special account". The balance in this cash account at December 31, 2012 was \$352,434 consisting of approximately \$105,117 expected to be recognized as revenue in the future, \$245,176 to be disbursed to various governmental agencies, and \$2,141 representing accumulated interest earnings that have not yet been transferred to the criminal account.

SUPPLEMENTARY INFORMATION

CITY COURT OF ABBEVILLE, LOUISIANA

General Fund
 Budgetary Comparison Schedule
 Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Revenues:				
Court costs	\$ 250,000	\$276,530	\$288,107	\$ 11,577
Fines	140,000	148,249	143,536	(4,713)
Interest	<u>2,000</u>	<u>500</u>	<u>2,010</u>	<u>1,510</u>
Total revenues	<u>392,000</u>	<u>425,279</u>	<u>433,653</u>	<u>8,374</u>
Expenditures:				
Current -				
Salaries and payroll taxes	90,000	92,520	92,516	4
Conferences and meetings	8,000	12,231	12,212	19
Office expenses	14,000	10,380	11,867	(1,487)
Telephone	4,000	3,690	4,007	(317)
Professional fees	4,800	4,800	4,800	-
Janitorial service	2,100	2,080	2,080	-
Miscellaneous	3,000	7,000	4,570	2,430
Repair and maintenance	1,000	355	355	-
Dues and subscriptions	7,300	11,750	12,344	(594)
Computer service	3,600	3,900	3,600	300
Court costs -				
Indigent defender's board	35,000	48,700	49,141	(441)
City Marshall - Fees	31,000	44,650	47,669	(3,019)
City Marshall - Holding facility	200	650	640	10
Louisiana commission on law enforcement	2,500	3,080	3,088	(8)
City of Abbeville - Witness fees	17,000	31,250	31,496	(246)
City of Abbeville - Intoxilizer fees	1,500	1,720	1,642	78
Acadiana crime lab	15,000	16,750	16,817	(67)
Vermilion Parish District Attorney	300	195	120	75
Department of Public Safety	100	-	-	-
Case management information systems	2,600	3,705	3,720	(15)
Louisiana rehab services - HSCI	1,200	1,290	1,225	65
Court fines -				
City of Abbeville	139,000	148,054	143,346	4,708
Vermilion Parish Police Jury	1,000	195	190	5
Capital outlay				
Equipment	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>386,200</u>	<u>448,945</u>	<u>447,445</u>	<u>1,500</u>
Excess (deficiency) of revenues over expenditures	5,800	(23,666)	(13,792)	9,874
Fund balance, beginning	<u>100,932</u>	<u>122,415</u>	<u>122,415</u>	<u>-</u>
Fund balance, ending	<u>\$106,732</u>	<u>\$ 98,749</u>	<u>\$108,623</u>	<u>\$ 2,874</u>

See independent accountant's review report.

SUPPLEMENTAL INFORMATION



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To the Honorable Richard J. Putnam, III, Judge
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 Mary Catherine Hollier, CPA

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of City Court of Abbeville, Louisiana and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about City Court of Abbeville's compliance with certain laws and regulations during the year ended December 31, 2012 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no expenditures made during the year ended December 31, 2012 for materials and supplies exceeding \$30,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

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Suite 300
Lafayette, LA 70508
Phone: 337.232.3312
Fax: 337.237.3614

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Eunice, LA 70535
Phone: 337.457.4146
Fax: 337.457.5060

1201 Brashear Avenue
Suite 301
Morgan City, LA 70380
Phone: 985.384.6264
Fax: 985.384.8140

203 S. Jefferson Street
Abbeville, LA 70510
Phone: 337.893.5470
Fax: 337.893.5470

A Member of:
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

www.dsfcpas.com

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management in agreed-upon procedure (3) appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

5. Obtained a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget and one amendment.

6. Trace the budget adoption and amendments to the minute book.

The City Court of Abbeville is not required to keep minutes.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5 % or more or if actual expenditures exceed budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year ended December 31, 2012 were within the range allowable by budget law.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account; and

We examined supporting documentation for each of the six selected disbursements and found that each disbursement was properly coded by fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approval from the proper authorities.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The City Court of Abbeville had no requirements under the open meetings law.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees that may constitute bonuses, advance, or gifts.

We inspected payroll records and minutes for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of City Court of Abbeville, Louisiana and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Dannall, Sikes, Gaudes & Frederick

A Corporation of Certified Public Accountants

Abbeville, Louisiana

June 18, 2013

CITY COURT OF ABBEVILLE, LOUISIANA

Schedule of Management Letter Findings and Corrective Action Plan
Year Ended December 31, 2012

The following finding was reported to management in a separately issued management letter:

ML (01-2012) Reconciliation and Maintenance of Subsidiary Detail of Partial Payment Deposits

Finding: City Court accepts partial payments of court fines and deposits these partial payments in a separate bank account. City Court was unable to provide a subsidiary listing by payee which reconciled to amounts on deposit in the partial payment bank account. While City Court has a system of filing receipts of partial payments that provides some detail as to the composition of the current cash balance, no effort has been made to reconcile this filing system to cash balances.

Recommendation: City Court should establish procedures to maintain a subsidiary listing of partial payments that can regularly be reconciled to cash balances.

Views of Responsible Officials and Corrective Action Plan: City Court intends to investigate the deficiencies in its system of accounting for partial payments and implement procedures to mitigate those deficiencies.

Status: This finding is unresolved.

ML (02-2012) Compliance with Act 366 of the 2011 Regular Session

Finding: City Court did not comply with Act 366 of the 2011 Regular session by failing to disburse funds and related itemizations in a timely manner.

Recommendation: City Court should establish procedures to ensure timely disbursements in compliance with Act 366 of the Regular Session.

Views of Responsible Officials and Corrective Action Plan: During the last months of 2012, due to shortage of personnel and illnesses, City Court was late in the forwarding of disbursement payments and itemized detail. The situation has been corrected and City Court is now making disbursements on a timely basis.

Status: This finding is resolved.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

_____ (Date Transmitted)

DARNALL, SIKES, GARDES & FREDERICK, CPA'S

P. O. BOX 727

ABBEVILLE, LA 70511

(Auditors)

In connection with your review of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes [☒] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes [☒] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes [☒] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes [☒] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes [☒] No []

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes [☒] No []

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [☒] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes [] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements,

without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes [☒] No [☐]

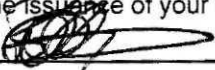
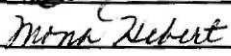
Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes [☒] No [☐]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

	City Judge		
	Secretary	May 29, 2013	Date
	Treasurer	May 29, 2013	Date
	President		Date